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political review is partisan, and the economic background is inadequately treated. The authors have not comprehended the economic significance of the Perpetual Emigration Fund—the most effective emigration system ever organized—the far-sighted land policy represented in the “stakes” or colonies, and the fundamental principle of brotherhood that actuated the coöperative enterprises. The account of the business methods of the Mormon Church is drawn from the reports of the Smoot inquiry and the Sugar Trust investigation, and indicates, what is a matter of common knowledge, that the Mormon Church is the most enterprising and powerful business concern in the Cordilleran region. The conclusion that a vast industrial monopoly has been built up, which profits by high prices and low wages in a fashion rendered notorious by certain other great combinations of capital, ignores the distinction that this peculiar monopoly exists of, by, and for the people in whose behalf it operates. There is no indication that this study of a most remarkable economic phenomenon was made upon the ground, or in conference with any of the principals in the movement. The bibliography is short, and one does not find in the list such indispensable authorities as Whitney’s four volume *History of Utah*.

KATHARINE COMAN.

The Constitution and Finance of English, Scottish and Irish Joint-Stock Companies to 1720. Vol. I. *The General Development of the Joint-Stock System to 1720.* Vol. II. *Companies for Foreign Trade, Colonization, Fishing and Mining.* Vol. III. *Water Supply, Postal, Street-Lighting, Manufacturing, Banking, Finance and Insurance Companies. Also Statements Relating to the Crown Finances.* By WILLIAM ROBERT SCOTT. (New York: G. P. Putnam’s Sons. Vol. I, 1912; Vol II, 1910; Vol. III, 1911. Pp. lvi, 488; x, 504; xii, 563. \$5.00; \$5.00; \$6.00.)

The unusual order in which these volumes have appeared is easily explained by the character of the work. The first volume is a general and comparative survey of early joint-stock companies. The second and third volumes deal with particular companies. The first volume is therefore an introductory summary; it might with almost equal propriety have served as a conclusion. On the whole, however, readers will probably concur with the author in his decision that the “conclusions” should properly come first.

The innumerable paged references to the second and third volumes account for the necessity of printing the latter first.

For this substantial work of over 1600 pages, economists and historians owe an inestimable debt of gratitude. The patient and protracted labors of the author are attested not only by the unusual length of the work, but by the wide range of authorities cited in its footnotes. The mere listing of these authorities covers thirty compactly printed pages at the beginning of the first volume. The authorities include manuscripts and collections of papers, official publications, books and articles, pamphlets and current newspapers. From the wide range of authorities consulted the author has accomplished the seemingly hopeless task of piecing together, usually in minute detail, the internal organization and management, the collection and control of capital, and the profits and losses of all the important, and of a very large number of lesser companies organized before 1720. The material for such a reconstruction is very abundant, but so scattered that only an immense amount of industry could have made it available.

To deal successfully with such abundant but such scattered material does not call merely for patience and industry; it calls even more for accuracy and discrimination; and all of these qualities are happily displayed in the present work. Careful discrimination was perhaps the most difficult task, though in the printed volumes the task least obvious to the casual reader. Information came from all sorts of sources except (usually) disinterested sources. To glean the truth from those who did not mean to tell the truth, or who, at least, were unfitted to tell the truth impartially, has been a large part of Mr. Scott's task.

Among other results, new light is thrown on many matters already recorded (as many have thought) "authoritatively." A conspicuous instance is the famous survey of joint-stock enterprise by Adam Smith. On this subject, Smith relied almost exclusively upon "that sober and judicious writer, Mr. Anderson," who in turn drew his inferences from fragmentary data accepted without critical discrimination. Scott criticises Smith's conclusions so convincingly that the most ardent admirer of the *Wealth of Nations* cannot fail to acknowledge its fault in this particular. Indeed, Smith's evident error in his judgment of joint-stock companies has so long been accepted that we are prepared to read that "the parts of the *Wealth of Nations*, treating of companies, show less of the remarkable economic investigation of the writer at first-

hand than almost any other part of the book." But the sweeping criticism of Smith will surprise many. With respect to foreign trading companies Smith's assumed facts are refuted, his animus in selecting facts suggested, his inferences challenged, his measure of inducements toward efficiency attacked. With respect to domestic enterprises, Smith's famous conclusion as to the four industries which could be successfully conducted by stock companies without monopoly is disputed at every possible point—the element of monopoly was not wholly lacking; the businesses named were not then capable of being reduced to routine; the real advantages of stock companies were overlooked; and their real defect remaining to be corrected not discerned with any clearness. The most conspicuous instances of success in joint-stock enterprise before Smith's time are found among undertakings requiring large capital and extensive credit, and involving a large element of risk and experiment—conditions very different from those suggested in the *Wealth of Nations*.

One of the most interesting contributions of these volumes is the tracing of the evolution of the ideas of "shares," "stock," and "capital." Others have touched upon these subjects, but none as circumstantially as the present writer. If we groan, now-a-days, because courts, accountants, and even economists employ the term "capital" ambiguously, we have at least made some gain over times when "stock" might mean investment, raw material, finished product, tools and provisions, provisions and cash available for dividends and wages, the "whole charges," the sums provided by shareholders, the floating assets (quick stock), or both the "quick" and the "dead" stock.

The tracing of the evolution of the share of stock has also a practical, as well as a scientific, interest. The proposal to adopt shares without par value, recently being urged in high quarters, most notably perhaps by the Railroad Securities Commission, is a proposal to go back to the original simple conception of a "share." At the outset, before the general concession of limited liability, before "perpetual succession" was commonly availed of (because joint-stocks were usually expeditiously wound up), and while there was as yet no conception of "capital" as something to be kept intact, it was easy and, we must presume, natural to regard shares as having no fixed denomination, but as merely participations in the affairs of the companies. The number of shares was usually fixed, fresh requirements being provided for by

additional calls, which were unlimited. To relieve the embarrassments due to high values of shares and to the inconvenience of calls, the shares were divided into fractions—halves, quarters, and even eighths. Now, limited liability, continuous operations, and scruples (or prejudice) against even undisguised payments of dividends out of capital, distinguish modern business companies from those of the sixteenth and seventeenth centuries. Whether these established modern principles have made a fictitious normal or par value necessary, or whether we could go back to the simple share having no fictitious value, without sacrificing modern requirements, are very serious questions which neither the friends nor the opponents of “stock without par value” have painstakingly considered. The problem is well worth investigating, and a careful study of legal decisions and legislation since 1720 would unquestionably throw much light upon it.

Current economic conditions are so carefully regarded in the general survey of the development of the joint-stock system to 1720 that volume I constitutes much more than a study of companies. It is almost a financial, commercial, and industrial history of the period. The joint-stock companies were profoundly influenced by the ebb and flow of general prosperity, and the author has not neglected to emphasize this fact. A casual examination of the chapter titles might even suggest that the importance of alternations of good and bad times had been over-emphasized, for “crises” of surprising frequency are made the dividing lines between chapters. But while the “crises” include every degree of disturbance from a succession of dull years to a panic, the nature and intensity of each disturbance is carefully explained, so that the differences between successive periods are not exaggerated.

The bulk of the second volume is concerned with the trading and colonizing companies. These companies have already been made familiar to us by numerous other authors; yet much more has been written of their external activities than of their internal organization and finances, so that much remained for Mr. Scott to bring out. Other undertakings described in this volume are the fishing, mining, and draining companies, about most of which very little has hitherto been written. The third volume comprises accounts of water-supply, postal, street-lighting, manufacturing, and financial companies. The bulk of the volume is absorbed by the manufacturing, banking, and insurance undertakings.

A review of this work would not be complete without mention of the numerous and elaborate tables of capitalization, dividends, and market quotations; the tables relating to the promotions of the South Sea period, 1719-1720; those showing the dates, titles, instruments of association, government, capitalization, quorums, qualifications of directors, and voting rights of all the companies from 1553 to 1720; and statements relating to national finances during the same period.

Several excellent monographs previously published by Mr. Scott gave him a high place as an economic historian, and the present work gives him a place in this field which very few others have reached.

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Studies in the History of English Commerce in the Tudor Period.

I. *The Organization and Early History of the Muscovy Company.* By ARMAND J. GERSON. II. *English Trading Expeditions into Asia under the Authority of the Muscovy Company (1557-1581).* By EARNEST V. VAUGHAN. III. *English Trade in the Baltic during the Reign of Elizabeth.* By NEVA RUTH DEARDORFF. (New York: D. Appleton and Company. 1912. Pp. xi, 343.)

Among the many useful studies in social, economic, and colonial history which have not merely been produced but published under the auspices of the department of history of the University of Pennsylvania in recent years, the present volume is not the least interesting and important. The essays here presented are, obviously and avowedly, doctoral dissertations curiously similar in scope, treatment, and even in bulk, the largest covering 122 pages, the shortest just under 90. They are, in effect, almost standardized investigations in the field of sixteenth century commerce, which it may be supposed and hoped will be similarly extended to cover a far larger area with similar monographs. For such an undertaking there can be nothing but praise. Hitherto the inquirer in that field has been forced to content himself, among published books, at best with Bonnassieux's heroic if encyclopedic attempt to perform the impossible task of covering the whole field, and, at worst, with Cawston and Keane. Besides these an array of writers interested in one phase or another of this development have touched upon the history of the earlier English trading